THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

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DATED: 26-12-2005

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WRIT PETITION No.27396 OF 2005

BETWEEN:

M..Rambabu . . .Petitioner

And

The A.P.Industrial Development Corpn Ltd., Hyd,

and another . . .Respondents

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WRIT PETITION No.27396 OF 2005

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O R D E R:

The first respondent issued a tender notice, dated 05-08-2005, inviting tenders for various items of property, which, it proposed to sell. One of the items was the property belonging to M/s.Sudha Sewing Threads Limited, Samalkot, East Godavari District. The upset price was Rs.76,50,000/-. The petitioner and several others submitted their tenders as per the schedule and they were opened on 18-08-2005. It emerged that the amount quoted by the petitioner namely Rs.1,01,00,000/- was the highest. According to the petitioner, the respondents have discussed the matter and agreed to accept his tender.

The second respondent addressed a letter, dated 05-12-2005, to the petitioner enclosing a cheque for Rs.5,00,000/- towards refund of the EMD paid by the petitioner. It was stated that they have decided to reject the offer of the petitioner, since it was low. The same is challenged in this writ petition.

Heard the learned counsel for the petitioner and learned standing counsel for the respondents.

It is true that the respondents have stipulated the upset price as Rs.76,50,000/- and that the offer of the petitioner is for Rs.1,01,00,000/-. The mere fact that the offer in a tender is more than the upset price itself does not result in conferment of enforceable right upon the tenderer concerned. The connotation of the upset price is limited to the extent that any tender, which quotes less

than the upset price, does not receive any consideration at all. So far as the acceptance of a tender is concerned, it is always up to the tendering agency to satisfy itself as to the adequacy and sufficiency of the price. They are not under obligation to state any reasons for this purpose. The petitioner could have a genuine grievance, if any tender, for a lesser amount than the one quoted by him is accepted or if the respondents have undertaken any negotiations with others, without inviting the petitioner to the same. Neither of the said eventualities have taken place in the case. Therefore, this Court does not find any basis to interfere with the same.

The writ petition is accordingly dismissed. There shall be no order as to costs.

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(L.NARASIMHA REDDY, J)

26th DECEMBER, 2005.

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